

South Dakota Risk Pool Governing Board and Advisory Board Joint Meeting Minutes
Becker Hansen Building - Conference Room
Thursday July 20, 2006

The joint meeting of the South Dakota Risk Pool Board began shortly before 11:30 a.m. The meeting began with a Welcome from Kevin Forsch highlighting the meetings activities.

Those in attendance included Chairman Kevin Forsch, Mr. Larry Iversen, Ms. Janet Griffin, Mr. Tom Martinec, and Mr. Randy Moses were present for board members. In attendance representing the Advisory Board were Dr. Mary Carpenter, Dr. Tom Krafka, Mr. Paul Jensen, Mr. Damian Prunty, Mr. Mike Shaw, Mr. Loni McKittrick, Mr. Rick Straquerlersi, Ms. Cheryl Stone, Mr. Bob Clark. Also in attendance were Ms. Dei Molitor and Ms. Sandy Zinter, Bureau of Personal and Ms. Melissa Kusser, Division of Insurance.

First item on the agenda was the approval of the April 20 and May 16, 2006 Governing Board minutes. Mr. Moses made a motion to approve and Mr. Iversen made the second. The board approved the minutes unanimously.

Mr. Forsch spoke about the replacement of legislative members. Specifically Senator Sutton at which time his term is up in January.

Ms. Zinter then spoke in regards to the Administrators Reports. The first item up for discussion was the Statement of Financial Condition. She introduced the new format of the report which gave FY 05, Un audited FY06, and projected FY07 numbers. Members expressed concerns over the forecasted FY07 numbers. Ms. Zinter said she would re-evaluate the report and bring back additional information to the group on how the numbers were calculated. Members also expressed interest in having historical data on the additional reports presented to the group. Members would like to see this data to draw assumptions on what plans people are choosing and the length of stay on each plan. Ms. Zinter advised the group that she will be converting some of the reports into graphs to display the data more clearly along with possible trend charts.

Ms. Griffin made a motion to pass the Financial Condition Statement with the exception that the projections for FY07 be struck. Mr. Moses made a second and the board passed unanimously.

Ms. Griffin spoke in terms of the legislative audit and how often this process will take place. She suggested the group consider doing this on an annual basis. She would like to see the risk pool audited from an Insurance Program perspective. The group was uncertain if these were the types of things that were being looked at by the legislative audit or if the objective was to focus on the process of the Risk Pool. The group made a recommendation that the Bureau of Personnel clarify what is being looked at with their audit and bring a recommendation back to the board on what steps should be taken next.

The group took a short break at 12:30 pm for lunch and reconvened around 1:00 pm.

Mr. Forsch spoke in regards to what things the Risk Pool should be doing to “stay ahead of the game.” Ms. Griffin suggested “strategic planning” by the group. Dr. Krafka suggested compiling information from other pools on how they have matured over the years and the processes they may be using. Mr. Moses stated this would be a tough analysis based on demographics of each pool in different states. Mr. Moses and Ms. Griffin suggested that there was a completed study on this topic by Wake Forest University and would research for the group. The suggestion was also brought forward to bring in individuals that have sat on various risk pool boards and possibly have a panel discussion with the group.

Mr. Moses then began an update of the SB 200 workgroup starting off with Ms. Kusser giving a brief overview of the federal grant. The grant was submitted and we anticipate an announcement on or after September 30, 2006. The grant was submitted for two different pools of money. The first pool of money was based on losses for FY05 and the second was a bonus supplemental pool. The legislation is dependant on the awarding of the grant money. Funds have been allocated for FY 06 but have not yet been for the following years. Mr. Moses gave an overview of what the workgroup faces in regards to how individuals will be allowed into the pool if federal funds are available. Ms. Kusser will be sending a copy of this document to each member.

Ms. Molitor advised Chairman Forsch that a new Co-Chair would need to be voted on as well.

Mr. Moses made a motion to adjourn the meeting shortly before 2:00 and a second was given by Mr. Martinec.